

RESOLUTION RA 01-01

A RESOLUTION OF THE PASO ROBLES REDEVELOPMENT AGENCY  
APPROVING THE RESUBORDINATION OF A FAÇADE IMPROVEMENT LOAN MADE TO  
PACIFIC MANAGEMENT AND DEVELOPMENT FOR THE IMPROVEMENT  
OF THE IOOF BUILDING AT 1234 PARK STREET

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WHEREAS, in June 1999, the Redevelopment Agency made a loan of \$25,000 to Pacific Management & Development ("PM&D") for the purpose of renovating the façade of the IOOF Building located at 1234 Park Street ("Building"); that loan was subordinate to a first trust deed in the amount of \$300,000 to purchase the building; and

WHEREAS, In March 2000, the Redevelopment Agency's loan was resubordinated to enable PM&D refinance the first trust deed loan; the principal of the new loan being \$300,000; and

WHEREAS, Mid-State Bank has approved PM&D for a new second trust deed loan in the amount of \$160,000 to finance improvements to the Building; and

WHEREAS, PM&D has requested that the Redevelopment Agency's loan be re-resubordinated to be in third position behind the first and proposed second trust deed loans; and PM&D has indicated that they will not be taking any cash out of the new loan proceeds for any purposes except improvement of the building; and.

WHEREAS, PM&D has provided an appraisal dated March 2000, which indicated that the value of the building was \$800,000; and

WHEREAS, with the new \$160,000 loan, the lien to value ratio would be 61% (\$485,000/\$800,000);

NOW, THEREFORE, BE IT RESOLVED BY THE PASO ROBLES REDEVELOPMENT AGENCY, to approve the requested resubordination of its loan of \$25,000 to the proposed new second trust deed loan of \$160,000 subject to two conditions:

1. That the new \$160,000 loan be used to improve the IOOF Building; and
2. That PM&D provide the City with a new title report that shows the Agency's note to be in "third position", subordinate only to the \$300,000 first note and the new \$160,000 note.

BE IT FURTHER RESOLVED BY THE PASO ROBLES REDEVELOPMENT AGENCY as follows:

1. That the Executive Director of the Redevelopment Agency is hereby instructed to sign the resubordination agreement on behalf of the Redevelopment Agency, upon PM&D's submittal of satisfactory evidence that all of the proceeds of the new \$160,000 second trust deed loan are to be reinvested in improving the Building; and
2. That the Executive Director of the Redevelopment Agency is hereby instructed to sign all documents effectuating said resubordination agreement including a Certificate of Acceptance.

PASSED AND ADOPTED by the Paso Robles Redevelopment Agency on this 16th day of January 2001 by the following vote:

AYES: Heggarty, Mecham, Nemeth, Picanco and Finigan  
NOES: None  
ABSENT: None  
ABSTAIN: None

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George Finigan, Chairman

ATTEST:

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Sharilyn M. Ryan, Deputy City Clerk